



TRACHTE  
Building Systems



# Your Guide for Getting Into Portable Storage

By Steve Hajewski

*Self-storage operators around the country are taking notice of portable storage and wondering if it's a logical extension to their current operations. With the number of containers stationed in driveways or seen transported on highways and streets, those with an entrepreneurial mindset begin to question if they're missing out on a growing opportunity.*

**F**or traditional self-storage operators looking to expand their businesses, the debate may be whether to build another site or start offering portable service. The answer depends on the amount of land and capital available, site location and staff availability. Portable storage offers a lucrative opportunity, commanding a premium rental rate compared to traditional storage, but it also requires a greater level of attention for day-to-day operation. Below are tips to get you on the right track.

## Market Conditions

Whether portable storage will be profitable for your business depends on how much the customers in your area are willing to pay to rent containers. Shop the competition to determine the range of rental and delivery fees. If no portable businesses exist in your market, locate one of a similar size for comparison.

Portable storage typically serves a market with a 30-mile radius—a larger area than traditional storage. Rates for container rental are generally two to three times higher than a comparable size traditional unit; plus, you'll add on delivery and pickup fees. For example, in Madison, Wis., a 10-by-10 traditional storage unit rents for \$50 to \$60 per month, while an 8-by-12 portable unit rents for \$100 to \$130 monthly, plus delivery fees.

The market demand for portable storage will vary by population. Crowded downtown areas may demand smaller containers, while rural areas favor larger-sized containers. Knowing your population helps determine if portable is the right path for your business. Find out more about your market's population at [www.census.gov](http://www.census.gov).

## Estimated Costs

The costs of launching a portable-storage operation can vary widely. Containers themselves may be your biggest investment. The least expensive container on the market

is a wood 5-by-8 crate. However, these containers require a tarp for outdoor use, warehouse for storage and a truck-mounted forklift system truck for delivery and pick up, so overall operational costs can be high. Wood crates have a limited lifespan, whereas larger 12- or 16-foot containers made of steel or plastic tend to be more durable. They can be stored outdoors without tarps and transported by specialized flatbed or roll-back trucks, which can be bought outright or subcontracted through a towing company.

Land or warehousing costs must also be calculated in the equation. Some self-storage operators already have land suitable for storing containers outdoors. Easements or other areas where permanent buildings are prohibited may be good places to store portable units. Other owners store them in a climate-controlled warehouse. Finally, remember to factor in the costs of purchasing a dealership/franchise and royalty fees, if that's within your business plans. Finally, remember to factor in the costs of purchasing a dealership/franchise and royalty fees, if that's within your business plans.

## Local Restrictions

Some municipalities restrict placement of containers. In most cases, laws are reasonable and allow for short-term use of containers for moving, remodeling, etc. Still, permits may be required for both short- or long-term placement. Some areas are currently formulating codes for container placement. The Mobile Self-Storage Association ([www.ms-sa.org](http://www.ms-sa.org)) provides model legislation for responsible use of containers.

## Zoning Restrictions

Whether looking for additional property or planning on storing containers on your existing site, make sure you are zoned for outdoor storage of containers. Oftentimes it is easier for an owner to find land for portable storage over building traditional units, when appropriate, or on leased land.

## Transportation Regulations

Each state has different laws but, in general, trucks over 26,000 GVW will require drivers with a commercial driver's license. Commercially owned vehicles may need to be registered, and if you'll be carrying customers' household goods over state lines, federal regulations may apply. Consult with a local professional in the transportation industry to comply with all regulations from the start.

## Back-up Plan

When starting out in the portable-storage business, you may have only one truck. What will you do if it breaks down? Or what if the driver has a family emergency? It's wise to make arrangements in advance, so in the event of an emergency, you have a way to keep container delivery and pickup operations running smoothly. Options include the local towing company or a loaner truck or trailer. If your containers require more specialized equipment, you will have to find other options.

## Legal and Insurance Issues

Adding portable storage means you'll need a new rental agreement. Consult with an attorney familiar with transportation law to ensure it limits your liability exposure. If possible, review competitors' agreements to get ideas and make sure you cover all your bases.

Portable storage in the residential market is relatively new, and your insurance company may be unfamiliar with liability issues. Talk in-depth with your agent or other insurance companies during your planning process. Liability restricts where containers are stored, how they are transported, and how they are stored by customers when in use.

A good rental agreement clarifies liability limitations and the renters' responsibilities, such as proper packing to prevent damage to contents. Signs and placards in the container further reinforce the fact that the renter is solely responsible for packing containers safely for a move.

## Inventory

One of the benefits of portable storage is you can add containers as your business grows. Unlike traditional self-storage, in which adding units involves permits and land use, acquiring containers is just a matter of ordering them.



If you need more storage space on your property, consider leasing another warehouse or extra land. Truck capacity is another determinant. Don't forget you'll need to have a certain number of containers in circulation to generate enough income to pay for the investment. The greater number of containers handled per truck, the better. Finally, be advised in advance that many container manufacturers/suppliers have minimum-order stipulations.

## Marketing Plan

Even if you do everything else right, no one will know what a great service you offer unless you make a concerted marketing effort. Since portable storage and traditional storage often serve different needs, your target market will differ. People moving between homes who have a gap in their sale and move dates may find portable units more efficient for their needs. Other potential markets to target are people who are remodeling (both homeowners and contractors), construction sites, businesses in need of document storage, and retailers who need to store off-season products.

Different target markets require a variety of marketing strategies. In traditional storage, one of the most effective ways of bringing in customers is a good location. In portable storage, new clients will likely be those who see your containers used by their neighbors. The challenge is getting the containers out in circulation where people can see them.

With a company name and contact info on the side, containers become rolling billboards. Other ways to get your name in the community is to offer local realtors coupons to share with clients, or consider donating your services to charity (your container at a Habitat for Humanity job site is great exposure!).

If you are already operating a self-storage business, you probably have a Yellow Pages ad. Don't forget to place an additional ad in the truck-rental and moving categories for portable services.

There's definitely no one-size-fits-all approach to starting a portable-storage business. Your advantage is you've already built a successful self-storage operation and can apply that knowledge to portable. Judging by the number of containers seen in driveways and on city streets, this is a trend that is growing and here to stay. Get in the game soon and enjoy newfound success!

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*If you would like to learn more on what it takes to break into portable storage, view the recording of the recent ISS/Trachte webinar, "Self-Storage Goes Portable: Using Containers to Enhance Your Business," at [www.insideselfstorage.com/trachte](http://www.insideselfstorage.com/trachte).*

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